STATE FUNDS FOR PUBLIC SCHOOLS

GERTRUDE FOLKS

Specialist on Schools, National Child Labor Committee

The educational system of a democracy must insure to all full, free, and equal opportunity for that kind and degree of education that will develop most completely the native ability of each and the highest degree of manhood of all, with the fullest possible measure of the sweetness and light which we call culture. For its support, therefore, it has first and indisputable claim on all the resources of the State and all the wealth of the people.[1]

INTRODUCTION

The truth of this assertion has long been recognized, and consideration has often been given to the amount of financial support which the state should give the public schools. There is another equally important factor, however, which has not received much thought—the method of apportioning this money to the local communities. A comparative analysis of the systems employed for the distribution of state school funds to the counties, or other local units, is rendered difficult by reason of their lack of uniformity. There are differing theories as to a just basis for distribution, and most states have deliberately or unconsciously combined in their systems two or more theories and have worked them out according to many different plans.

It is equally difficult to determine upon an interpretation of the term "school fund." State aid is given for general and specific purposes, in a lump appropriation and by special enactment, for as elastic an object as "the promotion of common school education in the several counties" and for as specific an item as "transportation from District A to District B."

In order to make possible some degree of classification and comparison in presenting the results of this study, certain items of state support have been eliminated—those which are of slight financial importance, related only indirectly to common-school education, or whose specialized nature necessitates a separate apportionment.

---

[1]*An Educational Study of Alabama.* United States Bureau of Education, Bulletin No. 41, 1919, p. 22.

Accordingly, expenditures for such purposes as industrial, agricultural and vocational work, evening and continuation schools, normal schools and teacher training, care of defectives, transportation, tuition, textbooks, and libraries are excluded. Special provisions arising from purely local conditions, such as compensation for counties containing large areas of nontaxable land, are not considered.

It must be borne in mind, moreover, that this article deals only with the apportionment to counties of state funds and does not consider the apportionment to districts of county funds. These are seldom on the same basis, but a right distribution of county funds does not rectify a wrong distribution of state funds, for the latter determine in part the amount of county funds available.

ANALYSIS OF STATE SYSTEMS

It is generally recognized that there are two objectives in the use of state funds for school purposes: (1) to remove the handicap of poverty from poor sections of the state and give them the same opportunity to provide an efficient school system possessed by regions containing valuable natural resources; (2) to stimulate local communities to further effort.

The usual method of accomplishing the former is through the allotment of a certain percentage of the regular school funds, or the creation of a special fund, to be granted on application to districts levying a specified school tax, but nevertheless unable to maintain schools for the required—or in some cases the desired—length of time. The development of the belief that education is primarily a concern of the state rather than of the local community can be traced through the gradual change in the term used to designate such aid and in the extension of the purposes for which it may be used. Formerly an Emergency or Supplementary Fund for the extension of the school term in "weak" districts, it is now frankly called an Equalization Fund to be used "for equalizing educational opportunity and improving the public schools below college grade, with the definite aim of extending school terms, stimulating local interest, and improving, through better instruction, gradation and supervision, all rural schools and schools in sparsely settled localities." (New Hampshire laws of 1919.) Sixteen states now have such funds, of which four, New Hampshire, South Carolina, Tennes-

see, and Vermont, devote them to general equalization purposes rather than merely to maintaining the prescribed length of term.

Four states, as a means of securing assistance 'or communities proportional to their need, apportion part of their funds on a valuation basis. In Massachusetts an annual grant of $75, $150, $300, or $500 is made to towns having a valuation of not more than $2,500,000, the amount being in inverse proportion to their total valuation. The New York system is similar, the amount varying from $125 to $200. In New Hampshire, however, the basis is not total valuation, but equalized valuation per pupil in average daily attendance during the preceding year, and the grant ranges from $0.75 to $1.50 per week. Connecticut divides towns having a valuation of $2,500,000 or less into five classes, and pays from 15 to 60 per cent of the expenditure for teachers' salaries, the percentage being inversely proportional to the valuation. Two other states, Maine and New Jersey, apportion part of the funds according to valuation, but in a direct, not an inverse, proportion; this is not intended to secure a distribution based on need, and it will be discussed under flat-rate systems.

The attempt to stimulate effort has been approached from many angles and the different plans employed will be outlined briefly:

Local taxation.—Many states require that the local unit shall levy a school tax of a specified minimum—usually very low—before being entitled to receive state funds. Four states, however, make a direct increase in the amount granted to counties with a high tax rate. Alabama gives $1,000, $2,000, or $3,000 to each county collecting a special school tax of one, two, or three mills, respectively. North Dakota doubles and triples its apportionment to rural, graded, and consolidated schools, if a specified high tax is levied. Minnesota contributes to a district levying a tax in excess of twenty mills one-third of the amount raised by such excess levy (within a maximum limit). Massachusetts, after the apportionment based on valuation is paid (see above), distributes the remainder of the school fund to towns of not more than $2,500,000 valuation, and whose annual tax for schools is not less than one-sixth of their whole tax, in proportion to the percentage which the school tax is of the whole tax in excess of one-sixth.

Attendance and enrolment.—Eight states base the distribution of their funds in part, at least, upon enrolment or attendance, **thus**

making a direct appeal for the enforcement of the compulsory attendance law. Of these states, two, Florida and California, take the number of pupils in average daily attendance as the basis; three, Washington, New Jersey, and Maryland, the aggregate number of days attended; one, Delaware, total elementary-school enrolment; one, Minnesota, the number of children who have attended at least forty days; and one, New Hampshire, the number who have attended at least two weeks. (With such a low minimum, the New Hampshire basis is nearer that of enrolment than of attendance.) The relative value of these bases will be discussed later.

Number of teachers.—Six states make their apportionment in part dependent upon the number of teachers employed. New York and Nevada pay $100 and $150 respectively for each teacher (New York pays also $800 to each city and district with a population of 5,000 and over employing a superintendent of schools); California pays $350 for each teacher assigned on the basis of average daily attendance as prescribed by law; Pennsylvania apportions one-half of the school fund in proportion to the number of teachers employed; North Carolina gives to each county one-half the salary of the county superintendent, three months' salary for all teachers employed, and one-third of the salary of a city superintendent. Vermont allows $2, $3, or $4 a week to teachers, the amount depending on the grade of certificate held; in this way an additional incentive for the maintenance of a high professional standard is offered.

Special aid to rural, graded, and consolidated schools.—Eleven states make special provision for aid to rural, graded, and consolidated schools, the amount ordinarily being determined by two or more of the following items: length of term; number, training, and length of service of teachers; building and equipment; number of departments; tax levy. It is unnecessary to give the details of each of these systems but two may be taken as typical:

MINNESOTA

Rural schools:
    8 months' session—$150 for each teacher with first-class certificate.
    7 months' session—$100 for each teacher with second-class certificate.
Graded schools:
    9 months' session required.
    $600 to each school.
    $100 additional for each teacher in excess of four.

$250 additional for each high-school teacher.

Total aid to any school not to exceed $1,300.

Consolidated schools:

Class A—8 months' session; suitable houses and equipment; well organized;
4 departments—$500.

Class B—8 months' session; 2 departments—$250.

SOUTH DAKOTA

Rural schools:

9 months' session; suitable building and equipment; one acre land; teacher
holding first-grade certificate; instruction in agriculture and home
economics—$150.

Consolidated schools:

1st class—Above requirements; also transportation for children living 1½
miles away; 4 classrooms; 3 acres land; 4 teachers, one of whom must
hold a state life certificate; instruction in manual training—$400.

2nd class—Same requirements as for rural schools; also transportation;
2 classrooms; 2 acres land; 2 teachers—$250.

Such, in general, are the plans which aim to secure a distribution
based on need and on recognition of local effort. Unfortunately,
however, the systems employed in a large majority of states are
based in whole or in part upon an outgrown theory of local auton-
omy, continued from habit rather than from the teachings of
experience. First and foremost of the plans based on this theory is
the division of funds in proportion to the population of scholastic
age. For such a distribution there is neither rhyme nor reason—the
need of a community cannot be determined on this basis, for there
are many children included in scholastic age who are not included
in compulsory attendance age and who do not attend school. For
example, the United States Bureau of Education reports that only
37.7 per cent of the children of scholastic age in Alabama (7 to
21 years) actually attend school. And for the United States as a
whole, the bureau estimates that in 1916 only 57.2 per cent of the
children between 5 and 18 years, inclusive, were in school. Many
states, like Alabama, include in scholastic age children up
to 21 years and the percentage would be even lower. Further-
more, this plan offers no incentive whatsoever to an enforcement of
the compulsory attendance law; on the contrary, a county with a
poorly enforced attendance law would have more to spend on each
child enrolled than a county with a good truancy record. Neverthe-
less, thirty-two states include scholastic population in their

distribution system. One state, Illinois, apportions the funds according to the number of all children under 21 years.

Another unsatisfactory type of distribution is the flat-rate system. Only five states still cling to this. Nebraska divides one-fourth of the school fund equally among all districts; Rhode Island allows $100 to each school; Tennessee divides one-third of a special school tax, created in 1919, equally among all counties; Maine and New Jersey distribute part of their funds in direct proportion to valuation, the idea being, of course, to compensate the counties making the biggest contribution toward the state school tax. Such a plan results, however, in giving counties able to raise large sums more help than poor counties receive. All of these theories are relics of the old belief that the county or district should have complete control of education, and that the function of the state is merely to distribute funds evenly to these local units—a theory as incomprehensible today as would be one leaving to counties, or even smaller units, the determination of standards of child labor.

Twenty-six states include in their general school funds money to be expended for high schools, the amount and method of distribution being left to the discretion of the county. Twenty-two, however, make additional or separate appropriations for high-school aid, and the distribution of this money is often on an entirely different basis from that of the regular school fund. The advantage of a separate appropriation for high schools is discussed later.

TABULATED SUMMARIES

A general summary of these plans and the number of states including each in some way in their system of apportionment is given below:

Emergency or Equalization Fund for aid of weak districts................ 16
Inversely proportional to valuation..................................... 4
Dependent on local taxation.. 4
Dependent on number of teachers....................................... 6
Dependent on attendance or enrolment.................................. 8
Special aid to rural, graded, and consolidated schools.................. 11
Dependent on scholastic population.................................... 32
Flat-rate distribution... 5
Special aid for high schools... 22

Most states, however, have adopted two or more of these plans, and the practical results of the apportionment are determined not so much by any particular feature as by the nature of the combina-

tion. When we consider the systems of the different states in their entirety, we find that with very few exceptions, no two states employ the same. Every possible combination has been tried and an attempt at classification becomes mere enumeration:

School population, only...	14
School population and supplementary fund for weak districts............	6
School population and special aid for rural, graded, and consolidated schools	2
School population, special aid and supplementary aid...................	1
School population, special aid and local taxation......................	1
School population and valuation......................................	1
School population and taxation.......................................	1
School population and attendance.....................................	1
School population and number of teachers.............................	2
Attendance and special aid...	2
Attendance, special aid, and local taxation...........................	1
Attendance and number of teachers...................................	1
Attendance, valuation, and supplementary aid.........................	1
Total enrolment..	1
Flat-rate on valuation and attendance................................	1
Flat-rate on valuation, population, and supplementary aid..............	1
Flat-rate to district, population, and supplementary aid	1
Flat-rate to school, special aid, and supplementary aid.................	1
Flat-rate to county, school population, and supplementary aid..........	1
Number of teachers and valuation....................................	1
Number of teachers and supplementary aid............................	2
Valuation and local taxation...	1
Special aid only...	2
Special aid and supplementary aid....................................	1
Supplementary aid only..	1
	—
Total..	48

A reclassification of these systems according to the theories of distribution included shows that fourteen states have no sound basis for their apportionment, and that in twenty others part of the funds are distributed on a basis neither of need nor of stimulation of effort.

Basis of System	Number of States
Independent of both need and incentive..............................	14
Part independent; part based on need................................	10
Part independent; part based on incentive............................	7
Part independent; part based on incentive; part on need................	3
Based on need only...	1
Based on incentive only...	7
Based on both need and incentive....................................	6
	—
Total..	48

DISCUSSION OF SYSTEMS

1. Distribution on the basis of scholastic population or of equal division has already been considered, and so obviously fails to secure a satisfactory apportionment that it needs little further discussion. A good illustration of the injustice which such a system may work is found in the 1919 report of the superintendent of public instruction in Washington, a state which has already adopted the attendance basis. Scholastic population and average daily attendance are reported by counties and a study of the tables shows that they are not proportional and that one county may have a larger daily attendance than another county whose scholastic population is greater. For example, Franklin County exceeds Jefferson County in scholastic population by 69; but Jefferson exceeds Franklin in average daily attendance by 88, a total difference of 157. Similarly, Whatcom County exceeds Yakima County in school population by 641, but Yakima exceeds Whatcom in attendance by 336, a total difference of 977. In view of the fact that the total state school fund of Washington is by law required to amount to $10 per child of scholastic age, the difference in the amount due the county would be considerable, and it is easily understood why an attendance basis for distribution was adopted. On the other hand, one state, after trying distribution on the basis of average daily attendance for two years, returned to the old scholastic population basis. The following explanation was given by an official of the State Department of Public Instruction:

The division according to average daily attendance was not satisfactory probably for two reasons. A large number of students from the rural districts attend the high schools in the towns and cities. They were counted in the average attendance of the town and city schools, whereas, in the census enumeration they were counted in the rural districts. The farmer element in the legislature of 1917 was opposed to it for this reason. They were also opposed to it for the reason that in rural communities the average daily attendance is only about 55 per cent, while in towns and cities it is probably as high as 85 per cent. The change in the law was probably for the purpose of encouraging better attendance in the rural communities. It did not, however, have that effect, and hence even that feature of it was a disappointment and operated against the rural communities. In my judgment these two reasons account for the repeal of the law providing for pro-rating the apportionment according to average daily attendance and the restoring of the former method of pro-rating it according to the enumeration.

[NOTE.—This law related to the distribution of county funds, but the same principle applies to state funds.]

The first objection—that the attendance of students from rural districts in town and city high schools decreases the apportionment to rural regions—could be solved by the separation of high-school and elementary-school funds. The rural community would still suffer a reduction in income, but a just one, equal in amount only to the actual expense of maintaining its students in high schools.

The second—that attendance in rural communities is far below that of cities and towns—is not a valid objection, but on the contrary an illustration of the wisdom of an attendance basis for apportionment.

2. The unequal distribution of wealth among the counties of the state should be taken into account in some way, for obviously children living in a poor district should not on that account suffer the permanent handicap of insufficient schooling. On the whole, the establishment of an equalization fund is the most satisfactory method of compensating such counties. A system based on valuation, while in theory correcting the evil, is too readily open to political manipulation. Gerrymandering of school districts has not been unknown in the past, and unfair discrimination in fixing assessment values is so common a practice as to cause hesitation before introducing the element of valuation in the distribution of school funds.

3. To increase the apportionment as a reward for a high local tax rate is valuable as a means of stimulating local taxation in states where little local money is used and the state funds are largely depended upon for the support of the schools. Whether or not a provision of this kind is desirable must be determined by the conditions in each state.

4. Attendance should be one factor in any system of distribution. Not only does it furnish a more accurate gauge of the number of children to be provided for than does scholastic population, but it also rewards a strict enforcement of the compulsory attendance law. Attendance is preferable to enrolment; there are always many children entered on the books who seldom enter the classroom. Only 75.4 per cent of those enrolled in the public schools of the United States were in average daily attendance in 1915–16.[1] There is also a choice to be made between using as attendance basis the number of children in average daily attendance and the aggregate number of days attended. The latter involves the number of days

[1] Report of United States Bureau of Education, 1917.

the school is in session and should be an incentive to lengthen the term; on the other hand, it would tend to prevent a county with a short session from getting on its feet and extending its term for the coming year, and if there were a great disparity in the length of school sessions among the counties, it would give no indication of the number of children in each county requiring school provision.

5. The number of teachers employed is another important item. The teacher determines the success of any school system, and every means should be taken to secure a staff, adequate in number and in training. To apportion part of the school funds in proportion to the number of teachers employed, to allow a specified amount to each teacher, or to pay a certain percentage of the county expenditure for salaries are all plans which promote this end. Moreover, teachers' salaries is the chief item of expense in any school system. The United States Bureau of Education reports that 56.93 per cent of the total expenditure in the country for school purposes is for the payment of teachers' salaries.[1] In a one-teacher rural school, this item does not vary whether there are five or forty-five children attending. In Kansas, for example, there are 7,759 teachers employed in one-teacher schools, and the average daily attendance in these schools varies from 7 to 21. The expense of maintaining the school for 21 pupils is not three times as great, however, for in each case the teacher's salary is more than one-half of the total cost. A system based entirely on the number of children attending is therefore unsound.

6. Special state aid to rural, graded, and consolidated schools has been of great value, in fact has made possible the recent effort to replace the poorly taught, poorly equipped, ungraded school, by a joint consolidated school, and where this is impracticable, to secure a more efficient rural school. An appropriation of this kind is of special value in raising educational standards in rural districts, for, being an "extra" appropriation, it can be made dependent upon the fulfilment of certain requirements and proportional to the degree of progress achieved.

---

[1] Report of United States Bureau of Education, 1917.

RECOMMENDATIONS

The United States Bureau of Education on the completion of a survey in Arizona in 1917 recommended distribution of state funds to counties on the following basis:

1. An amount to be given to each county equal approximately to $200 for every teacher employed in elementary and secondary schools.
2. The remainder of the fund to be apportioned on the basis of aggregate attendance.

Their report on Alabama (1919), however, modifies this recommendation and suggests that part of the funds be used for aiding needy districts and rewarding special effort. The plan outlined is:

1. One-half the fund to be apportioned as follows:
   Two-thirds on basis of aggregate daily attendance;
   One-third on basis of number of teachers employed.
2. One-half to be apportioned by State Board of Education among the schools of the state as awards for good work, and as direct aid to needy districts.

Another proposal should be considered—that outlined by Ellwood P. Cubberley in his school code for the mythical state of Osceola.[1] In order to secure funds for the districts most in need of aid, and to offer special incentive for the maintainence of higher standards and the introduction of new features, especially among the rural schools, he divides state grants into five classes:

1. Teachers grants:
   One-third of the salary for every full-time county or city superintendent, health officer, attendance officer, assistant superintendent, and supervising principal.
   $400 for each supervisor of special subjects, including playgrounds, and for each superintendent of school attendance.
   $300, $275, and $250 respectively for each secondary, intermediate, and elementary-grade teacher.
   (Special provision for evening and vacation school teachers.)
2. Extra school grants:
   $100 for each course of secondary-school instruction, within certain limits.
   (Aid for agricultural, industrial, and home economics courses.)
3. (Library and book grants.)
4. Consolidated school grants:
   $150 for each teacher employed, not less than three nor more than six in number.

---

[1] ELLWOOD P. CUBBERLEY, *State and County Educational Reorganization.* New York: Macmillan Co., 1914.

5. Attendance grants:
    The remainder of the fund to be apportioned according to average daily attendance.
    [NOTE.—Items in parentheses are not included in this study.]

Mr. Cubberley argues that although the cities would receive more help proportionally than the rural regions because they alone have many of the features mentioned, there is no reason why the county should not adopt these features, and that with this state aid, there would be a strong incentive for them to do so. The purpose and general features of this plan are admirable, but it presupposes not only the adoption of the county unit system but also a degree of organization and administrative efficiency that many states do not yet possess. It would be applicable to Osceola, but not at the present time to very many of our flesh and blood states.

In view of the variety of the methods for the distribution of school funds now employed, the diversity in administrative details, and the wide differences in local conditions among the states, it would be absurd to present any detailed plan as the one and only satisfactory system for all states. A few general lines of policy, however, can be laid down.

1. Scholastic population should not be made a basis for distribution of funds.
2. Attendance should be one factor.
3. The number of teachers employed should be one factor.
4. A reward should be made for special local effort and the introduction of new and progressive features.
5. Special aid should be given to poor districts in order to equalize educational opportunities throughout the state.
6. The granting of state aid should be made dependent upon compliance with the minimum educational standards prescribed by law.

A state seeking to improve its educational system should approach the legislature not only for an increase in school revenue, but also for a revision of the plan by which the funds are apportioned in accordance with these principles.